



California Municipal Utilities Electricity Price Outlook 2003-2013

***Energy Policy Report Proceeding
Docket 02-IEP-01***

**Staff Draft Report
*Publication 100-03-005SD***

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February 25, 2003**



Table 1 illustrates Energy Commission staff's assumptions for a typical utility customer in each class. The table provides monthly average electricity consumption and maximum demand for each customer type.

Table 1
Monthly Electricity Used By a Typical Customer

	Residential	Small Commercial	Medium Commercial	Industrial	Agricultural
Usage kWh	500	1,241	21,862	735,305	5,093
Demand kW	NA	NA	60	1217	NA



Table 2 provides the rate schedules used by staff to represent five customer classes. In staff's judgment, these rate schedules represent the most common characteristics of each customer class.

Table 2
Municipal Rate Schedules Representing Customer Classes

Utility	Residential	Small Commercial	Medium Commercial	Industrial	Agricultural
LADWP	R-1	A-1	A-2	A-3	N/A
SMUD	R	GS-27	GS-47	GS-TOU	AS-63
Burbank	R	C	C	P	N/A
Glendale	L-1	L-2	LD-2	PC-1-B	N/A
Pasadena	D	G-1	P	P	N/A



Present Rates for Los Angeles Department of Water and Power

Residential	LADWP	\$
Rate Schedule R-1	a) Service Charge/Mo	0.30
	Energy Charge \$/kWh	0.07288
	ECA \$/kWh	0.02940
	ESA \$/kWh	0.00147
	b) Subtotal	0.10375
Consumption	c) 500 kWh/month	
Total Monthly Bill	d) Charge [bxc]+a	52.18
Average Revenue/kWh	(d/c)	0.10435



LADWP

Cost of Generation & Percentages

	Purchased/Gen	Costs	Cost of Generation
	Demand (MWh)	\$	\$/ MWh
Purch.	6,806,335	893,864,267	131.33
Haynes	4,539,497	563,667,613	124.17
Scattergood	1,669,563	192,160,948	115.10
Valley	227,449	11,070,365	48.67
Harbor CC	749,000	98,736,678	131.82
San Fco 1	184,363	2,165,740	11.75
San Fco 2	70,013	1,319,263	18.84
Castaic	36,247	13,318,779	367.45
Foothill	33,393	144,287	4.32
Upper Gorge	52,896	554,376	10.48
Middle Gorge	47,474	492,480	10.37
Control Gorge	48,644	913,788	18.79
Total	14,464,874	1,778,408,584	
<i>Source 6/30/01 EIA Form 412</i>			
% Fossil	0.50		
% Hydro	0.03		
% Purchased	0.47		



Glendale Projected Energy Cost

Year	GDP Deflator [2001]	Consumption (GWh)	Gas forecast \$/mmBtu	Spot prices \$/MWh	Energy Cost \$/ MWh
2002	101.43	1,124	3.49	33.27	55.90
2003	102.78	1,143	3.60	29.53	51.95
2004	106.60	1,162	3.75	30.54	53.81
2005	110.43	1,182	3.91	31.34	55.48
2006	114.25	1,200	4.09	34.72	60.48
2007	116.87	1,213	4.27	37.85	65.14
2008	119.18	1,228	4.48	40.46	69.24
2009	121.39	1,240	4.71	41.90	72.04
2010	123.65	1,252	4.96	44.25	76.01
2011	126.04	1,267	5.23	45.69	78.95
2012	128.62	1,276	5.52	47.68	82.68
2013	131.25	1,292	5.81	51.18	88.26



Pasadena Revenue Accumulation Analysis

Year	Operating revenues \$	Operating Expenses \$	Net Income \$	Accumulated Net Income \$
1999				128,283
2000	170,825,966	122,773,209	52,782,425	(4,788,764)
2001	301,617,379	235,898,131	82,642,176	(33,045,535)
2002	125,796,976	115,273,808	13,518,457	(23,726,219)
2003	116,964,176	107,179,889	7,690,174	(16,036,045)
2004	118,656,527	108,730,672	10,392,442	(5,643,604)
2005	124,923,609	114,473,500	5,585,375	(58,228)
2006	124,608,374	114,184,635	9,066,134	9,007,905
2007	130,197,592	119,306,304	8,019,613	17,027,518
2008	134,858,455	123,577,276	7,362,612	24,390,130
2009	138,961,881	127,337,443	8,585,086	32,975,217
2010	143,145,240	131,170,855	7,729,887	40,705,103
2011	147,869,816	135,500,211	8,013,874	48,718,977
2012	151,966,745	139,254,423	8,197,341	56,916,318
2013	157,396,561	144,230,024	7,915,299	64,831,617

Source: City of Pasadena Enterprise Funds Combining Statement of Revenues, Expenses and Changes in Retained Earnings
year ended June 30, 2000 & 2001



Municipal Residential Electricity Rates (Nominal cents/kWh)

Year	LADWP	SMUD	Burbank	Pasadena	Glendale
2003	10.44	8.87	12.69	12.50	12.95
2004	10.28	8.96	12.49	12.96	12.75
2005	10.65	9.19	12.93	12.75	13.17
2006	11.28	9.65	13.37	13.19	14.09
2007	11.84	10.05	13.67	13.51	14.89
2008	12.35	10.37	13.94	13.81	15.59
2009	12.77	10.67	14.20	14.11	16.10
2010	13.29	10.99	14.46	14.41	16.76
2011	13.75	11.30	14.74	14.73	17.29
2012	14.27	11.67	15.03	15.07	17.94
2013	14.93	12.10	15.34	15.42	18.84



Results

- Municipal rates slightly increase over forecast period.
- Rates decreased five percent due to excess funds for LADWP, Pasadena, Glendale, & Burbank. Decrease is partially offset by increase in energy cost & inflation.
- SMUD $\frac{1}{4}$ cent/kWh decrease in 2004, offset by increase in energy cost & inflation.



Conclusion

- Municipal utilities will most likely keep their rates constant during 2003.
- LADWP, Glendale, and Burbank could decrease their rates by five percent or more in 2004, and Pasadena in 2005, as a consequence of current excess accumulation of funds and the desire of these utilities to maintain competitive rates in their area.
- SMUD will most likely decrease rates by $\frac{1}{4}$ cent/kWh to offset past rate increases.
- Future retail electricity rates for the five municipal utilities will depend on the cost of natural gas for generation, cost of energy purchased, and on the need to balance their rate stabilization funds.